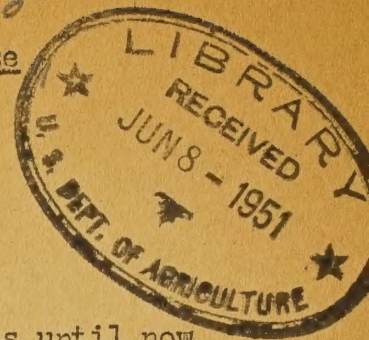


Personnel Practices In Government That Co-ops Can Use

245. Rural Electrification Administration.



Many rural electric co-ops have gradually grown in size and assets until now they are the largest private business enterprises in their respective communities. But as co-ops grow, so grow the number and complexity of problems with which co-op management has to deal. For example, a manager with 20 or more employees on the co-op payroll has different personnel problems from a manager whose staff consists of just a bookkeeper and one line crew. Moreover, as our present defense mobilization effort gains momentum, co-ops will be faced with special personnel problems. There will be more work to do but fewer and less experienced workers to do it. Unavoidable new procedures must be learned and carried out. The problem of manpower turnover, of finding and keeping qualified replacement, must be met.

These problems are, of course, not peculiar to rural electric co-ops alone. Every Government agency, every industrial or other business enterprise has to deal with the problem of personnel administration, of developing policies and practices that will attract and keep desirable personnel and will result in a good performance record.

How many of you directors and managers are aware that personnel administration is an essential responsibility of co-op management? All of us recognize that we must take good care of our equipment, but we often forget to look adequately after our personnel. We tend to overlook what an important place the employees, individually and as a group, hold in a co-op organization and how much of the co-op's effectiveness depends on them. More than half of your co-op's expenses, apart from wholesale power costs, are usually made up of salaries and wages. Is it good or false economy to spend a little more money for a careful recruitment and training of employees and for creating and maintaining satisfactory working conditions? Failure to face up to such problems and to deal with them constructively spells the difference between poor and good personnel administration. Constructive action involves both the board and the manager -- the board as the policy-making body, and the manager as policy adviser to the board and as executor of board policy. The day to day job of personnel administration is one of the most important responsibilities of each supervisor.

Personnel work is concerned with people and therefore largely a matter of establishing good human relations with and among employees. By and large, people anywhere react pretty much alike. They are irked by discourtesy, disregard, and unfairness, and they respond favorably to courtesy, recognition, and fair treatment. Any personnel policies and practices based on these considerations are bound to be on the right track.

REA enjoys a reputation as a good place to work. Over the years it has benefited from a showing of employee loyalty much greater than one would normally expect to find in a Government agency. Men and women who could easily get better-paying jobs elsewhere have preferred to continue working for REA, partly because they believe in the program but also because they like REA's



personnel policies and practices. That people like to work in REA is also evidenced by employees who had left REA to work elsewhere and later came back. And it is a typical reaction of new REA employees after a very short time of acclimatization.

High employee morale and teamwork do not spring entirely from high ideals or from a belief in the objectives of a business or program. Nor can they be brought about by relying on intuition or "hunches" on how to treat people. The basic idea of treating employees like human beings, of making them feel as members of the team, can be made effective only by translating the principles of courtesy, recognition, and fair treatment into specific coordinated policies and practices.

Co-op boards and managers might find it helpful to review some of the techniques used by REA and many other organizations, including both Government and private industry, to build good human relations between employer and employee and thereby achieve the maximum of performance with the least possible human friction. I want to discuss briefly some personnel practices in partial answer to certain questions which every alert employer needs to ask himself periodically.

1. Does the employee understand the value of what he is doing and can he feel an adequate sense of importance in doing it? Helpful techniques are:

- a. Orientation seminars for all new employees, acquainting them with the nature, history, objectives and accomplishments of the program, with the functional organization of the staff, and with the personnel policies and practices in effect.
- b. An accurate description of duties so that he will know what is expected of him and whom he is to take orders from and report to.
- c. A statement of specific performance requirements where practicable. Make sure it is fair and fully understood by employee. Performance should be reviewed and evaluated in periodic discussions between employee and supervisor.
- d. Personnel policy statements in writing, so that all employees can readily find out what the official policy is regarding any matter of concern to them. Such policy statements are also helpful to a co-op board and manager in building good member relations. This subject is discussed in more detail in the December 1950 issue of Rural Electrification News.

- (1) Personnel policy statements should be developed by the people who are going to make the policy work. Every representative of management down to first line supervisor who will, should participate in policy development to extent of his interest and ability. Such participation helps to build in the employee a sense of "citizenship" in the organization, the policy will be



more realistic, the employees will take more interest in making the policy work and supervisors are challenged to think about other policies needed.

- (2) A manager can really prove his worth and get his ideas across by full and free discussion of policies. "Say what you mean and mean what you say." Set all available facts and put policy in writing. Use general statements because a policy statement should be a guide wherein the supervisor has some discretion in its application, but not vague. Writing them out makes firm commitments. Let me repeat again the importance of advance discussion with supervisors and employees. In administering the policy supervisors should be able to say No without passing the buck and Yes without granting a special favor. They can do this if they participated in its development. Is it clear;? Is it consistent;? Is it acceptable? are good questions to test the validity of your statement.
- (3) A policy statement must be kept realistic. If it doesn't need change it is probably not a good policy statement. Arrange for periodic evaluation and restate your personnel policy statements where necessary.

2. Does the employee have a feeling of security and a chance to improve and advance himself? Helpful techniques are:

- a. A suitable employee retirement plan to provide assurance against destitution in old age.
- b. Group insurance to minimize the possible drain on an employee's pocket book from illness in his family.
- c. On-job-training, to help employee improve his knowledge and skills for the job he is doing and to prepare him for more responsible work. This is particularly important in a time of manpower shortage when it may be necessary to hire or promote employees not already fully trained for the jobs they are to do. Possible sources of such training available to supplement what co-op can do directly include the REA bookkeeping correspondence course, statewide safety and job training activities for linemen, electrification adviser training schools, special college short courses, and technical study material. Most business firms have found that it pays to provide such training on company time.
- d. A promotion-from-within policy which assures recognition of demonstrated capacity. In REA, vacancies in all except the three top jobs are first advertised among the REA employees, and outsiders are considered only if no REA employee can qualify. Any REA employee who applies is given an interview and conscientious consideration.



- e. Tangible recognition for special efforts. In REA, there is an awards committee which considers nominations of employees for special recognition and makes pertinent recommendations to the Administrator. This committee also considers suggestions from employees for the good of REA. Every division has a suggestion box where any employee may deposit his or her suggestion. The boxes are in charge of the Personnel Division, and all suggestions are carefully considered by the committee. Awards vary from small cash awards for suggestions to permanent pay increases for superior accomplishment. Awards are made by the Administrator at a special ceremony at a staff meeting.
- f. Annual and sick leave. All regular employees of the Federal Government are entitled to a specified number of days of annual leave and up to a specified number of days of sick leave. This is also generally the case in states and local public agencies and in most industrial and commercial establishments.

3. Does the employee feel that he is really an accepted member of the team and has a share in team responsibility for the over-all success of the enterprise? Helpful techniques are:

- a. An open door policy. In REA, the personnel chief and his assistants are always ready to give sympathetic attention and advice to an employee's problems on and off the job, although all employees are encouraged to first consult with their supervisor.
- b. Staff meetings. Any organization will benefit from regular and special staff meetings, on company time, at which all participants are brought up to date on the organization's work, special problems of interest or concern to all are discussed, and coordinated planning is done on the work ahead. Your employees can be your best public relations experts.
- c. "Gripe" sessions. REA has found it very helpful, in connection with annual field and headquarters staff meetings, to have the employees meet for an hour on official time, in groups without the top supervisors present, to air their gripes and formulate questions and recommendations to their supervisors or to the Administrator. Each group appoints a reporter who presents the group's "gripes" at a general session presided over by the Administrator. Discussion on the spot helps to clear the atmosphere. Where remedial measures are indicated, they are either decided at once or referred to a committee for further study. But it is the policy to take and announce, action on all points as promptly as possible. These "Gripe" sessions are an important factor in REA's good personnel relations. It is noteworthy that most of the "gripes" have really been constructive in intent and have had the result of making REA a more effective organization and a better place to work. Our experience has indicated that about 65 percent of the so-called "gripes" are



actually acceptable suggestions. Co-op directors and managers who have attended management conferences in Washington in recent years already have first-hand knowledge of the value of "Gripe" sessions.

- d. Grievance procedure. It is unavoidable that employees will occasionally have personal grievances which may or may not be justified. The quicker these can be brought out in the open and properly attended to, the better it will be for employee morale. Typical industry and Government procedure is to encourage employees to take up personal grievances individually with their supervisors. If that method proves unsatisfactory to the employee, he can have his grievance put before a higher official or committee, either personally or through an accredited grievance committee selected by the employees.
- e. Organized recreation activities. People usually are happier in their working relationships if they have an opportunity from time to time to get together with their co-workers and official superiors socially on an equal footing. That is why management generally encourages, and often contributes to, recreational activities among employees. In REA, the REA Athletic Association has for many years sponsored and organized such activities as the REA Birthday Dinner, bowling teams and other athletic activities, dances, picnics and other get-togethers. Nearly all of the Washington staff are dues-paying members (one dollar per year) of REAAA, but its affairs are open to all employees and their families.

Of course, there are other important aspects of personnel administration which must not be overlooked. For the purpose of this talk it was assumed that REA co-op management is aware of the importance of a good employee selection process -- tapping all possible sources from which to obtain qualified employees, checking on the technical qualifications of applicants, making sure of an applicant's attitude toward the co-op form of enterprise and toward rural people, and of his or her ability to get along with people and function as a member of the team. It is also assumed that co-op managers and other employees in supervisory positions recognize the importance of good supervision and of the ability of imparting to subordinates a feeling of enthusiasm for the job. This, in turn, is possible only if the supervisor conducts himself so as to earn the respect of the employees under him.

The techniques and practices referred to in this talk were mentioned merely by way of illustrating the main point that good personnel relations don't just happen but must be cultivated by management. Most rural electric co-ops have recognized this fact long ago. Over the years they have developed personnel policies and practices to fit their particular needs. But with changing conditions the needs also keep on changing. And by studying the techniques and practices developed by other organizations we can often see possibilities of improving our own ways of dealing with particular problems. There is a large amount of technical literature on the subject of personnel relations and administration which can be studied by management officials of any organization



with much profit. You might even find among the examples mentioned in this talk some ideas that might effectively be adapted to your own needs. This talk will have served its purpose if it will stimulate co-op directors and managers to explore the problem further and to subject their own policies and practices to periodic review and, if indicated, revision as an essential function of good co-op management.